

MDA Economic Development Projects: Oversight and Management of Nissan Project Records

Executive Summary



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The Nissan automobile plant in Canton, Mississippi, is considered one of the most successful economic development projects in the state's history. According to Nissan, the plant employs more than 6,500 people, has built more than 4 million vehicles since 2003, and represents hundreds of millions of dollars in capital investment.

In the past, the Auditor's office has confirmed that Nissan has met all contractual employment obligations to the state for the periods reviewed. The most recent employment verification was published on August 1, 2017. The Auditor's office also conducted a review of expenditures incurred by the Mississippi Development Authority (MDA) on behalf of the Nissan project, whereby auditors tested the policies and procedures in place to assure compliance with the goals of the project. The report indicated that MDA had adequate internal controls in place to accurately account for all material expenditures.

But every project, including Nissan, and agency has room for improvement. To that end, the Performance Audit division of the State Auditor's office began a study in 2018 to examine the oversight and management of project records from the plant. The study analyzed whether MDA maintained proper control of data and records for the Nissan project and made recommendations on how to improve MDA's handling of project records.

After studying MDA's record retention policies and records on file for Nissan, the Performance Audit division ultimately made several recommendations to MDA. Among other things, the division recommended:

- MDA establish a formal written internal policy for ensuring that economic development project records are maintained and accessible.
- MDA establish a written internal policy regarding the scanning of paper documents and work with the Mississippi Department of Archives and History on preservation of those documents.
- MDA should request funding for an internal auditor to evaluate economic development projects.

The Auditor's office will continue to work with MDA to identify internal procedures that can be modified in response to the Auditor's recommendations.

To request the full study by the Performance Audit Division, contact the State Auditor's office at logan.reeves@osa.ms.gov or kelley.ryan@osa.ms.gov.